

2003 Press Releases

FOR IMMEDIATE RELEASE: September 11, 2003

FIRST-TIME STUDY SAYS “TERRORISM THREAT IS REAL ON STRATEGIC RAIL CORRIDORS AND AL QAEDA HAS INTEREST IN ATTACKS”

“A 10-day shutdown of the Alameda Corridor East, as a result of a terrorist attack, would have a similar impact on the U.S. economy as the West Coast ports shutdown did last October.”

Los Angeles, CA — “The threat of terrorism is real on strategic rail corridors with passenger and freight rail service and we believe that Al Qaeda's apparent interest in rail attacks should be a call to action,” said Counterterrorism Expert Elsa Lee, who contributed to a new one-of-a-kind Homeland Security report released today (Sept. 11, 2003) entitled: ***“OnTrac Trade Impact Study: National Economic Significance of Rail Capacity and Homeland Security on the Alameda Corridor East.”*** (http://www.laedc.info/data/pdf/ontrac_economic_impact_homeland_security_exec_sum.pdf)

The study was commissioned and published in cooperation with the Orange North-American Trade Rail Access Corridor (OnTrac) Joint Powers Authority and the Los Angeles County Economic Development Corporation (LAEDC). The study was completed as part of the environmental review process for the Alameda Corridor East strategic rail system that goes through Placentia, California.

“The disruption cost of shutting down the Alameda Corridor East represents a \$414 million disruption value each day that it is shut down,” said LAEDC Director of Public Policy, Greg Freeman. “The same 10-day disruption would therefore be \$4.1 billion. An attack with of 30-days duration would see a \$12.4 billion disruption cost and go to \$24.8 billion if the shutdown of the strategic corridor lasts for 60-days.”

“Southern California has become the nation's primary gateway for two-way international trade,” said Executive Director Christopher Becker, of OnTrac. “The Alameda Corridor East rail lines moved about \$116 billion in goods based on the manufacturer's value in 2000. The street value was much higher for these products. The street values of rail cargo traveling on the Alameda Corridor East in 2000 were \$166 billion.” Becker's testimony at the Congressional Railroad Committee Hearings was that Washington should provide more flexible funding for environmentally beneficial rail projects, and significantly more funding for mega projects and grade crossing programs like Alameda Corridor East.

“Increasing capacity of rail moves more consumer and military goods, faster, but at the same time added capacity also increases the wait times for drivers at street level rail crossings,” said LAEDC Senior Vice President Wally Baker. “Upgrading strategic rail lines with overpasses and underpasses will allow increases to capacity and keep the community supporting a thoughtful growth plan of our critical corridors. These street and railway separations are a lot safer and better to the environment too.” The LAEDC predicts a train every 8 minutes, 24 hours a day, and 7 days a week will travel along the Alameda Corridor East by 2025. Baker said, “With this much potential economic disruption, the

Federal government must consider providing a specific new funding category for strategic rail trade corridors in their next Transportation and Homeland Security reauthorizations. It is a national economic and security issue that Congress and the White House should fix with legislation and programs.”

The report also suggests that strategic rail is the only growth alternative for goods movement in many cities like Los Angeles, Chicago, New York, Las Vegas and Houston. According to the study, supporting more trucks is becoming “fightin' words” in these cities. Also recommended is a strategic trade

corridor between major cities to becoming part of the Federal, State and local institutional funding process and receive equal priority to the highway and transit system categories in all Federal legislation.

Additionally, the report notes that the U.S Treasury collects 45 percent of all U.S. Customs revenue on products that go through the ports and corridors of Southern California each year. None of that revenue is used to reinvest in the country's trade corridors or intermodal systems. In fact, it isn't used for trade related infrastructure investment at all. This study concludes that at least 30 percent of Customs revenue should be dedicated each year to strategic rail corridors across the country to solve the problem quickly and nationally in years instead of decades.

“Our studies find that an updated threat assessment is a smart way for communities to determine what the most likely threat will be,” explained Lee, a homeland security consultant to the LAEDC and President of Advantage-SCI of Redondo Beach, California. “Communities can't defend against everything but they can identify potential targets and rank those like a terrorist would. Launching an awareness campaign to help educate the community is also suggested in the study along with many other local action ideas.”

“The Dept. of Defense has designated the rail lines out of Southern California as strategically important national assets,” explained Lee. “These rail lines ensure that the U.S. military forces have the ability to mobilize heavy equipment, such as tanks and tracked vehicles.” The report also states that local efforts to deter and respond to incidents along the Alameda Corridor East should be a special effort by communities. If local communities are part of the overall security system of the country, then they should benefit from homeland security measures as well.

The study teams also emphasized that communities along the Alameda Corridor East need to mirror and adopt the security measures and mindset that the federal government has had for years in its effort to protect national security and, on a smaller scale, use it as a roadmap for strategic infrastructure protection. “Most communities in Orange County have a disaster or emergency preparedness plan. But for those who may not, then a homeland security plan makes sense,” explained OnTrac Executive Director Chris Becker.

Similar to the results of the West Coast labor dispute last year, the study points to the disruption cost of shutting down the Alameda Corridor East, and it said that there would be little relief to the congestion of goods movement and trade mobility after an attack because all other options for moving goods offer only limited results to relieving the congestion.

About Elsa Lee & Advantage-SCI:

Elsa Lee is CEO, President, and Principal Consultant of Advantage SCI, LLC based in Redondo Beach, CA – serves government and private industry clients globally. Lee has 22 years of public and private sector experience in anti-terrorism operations, counterespionage investigations, threat and vulnerability assessments, and information systems security in the United States, Asia, Central America, and Europe. Elsa is a member of the FBI Los Angeles Infraguard.

The LAEDC is a private, non-profit organization whose mission is to attract, retain and expand business and jobs in the region. It provides economic and industry forecasts as well as strategic consulting in trade, infrastructure, logistic and land use. The LAEDC Business Assistance Program works one-on-one with businesses throughout the county. Visit www.laedc.org .

###



Contact:

George McQuade
818-340-5300 or 818.618.9229.